

# 2012 Colorado Planning & Management Region Report

Region 1 – Logan, Morgan, Phillips, Sedgwick, Washington and Yuma Counties

## INTRODUCTION

Northeastern Colorado is a 9,300 square mile geographic area including: Logan, Morgan, Phillips, Sedgwick, Washington and Yuma Counties and the 22 incorporated municipalities in the Region. Most of the region is primarily agriculture, but in recent years the counties have been working to diversify their economic base, exploring industries and new jobs that are suited for the area. The region saw varied population change between 2000 and 2011, with the three largest counties growing and the three smallest, population-wise, experiencing a decline. Overall the region experienced a 3.50% increase in population.

County	Census 2000	July 2011	% Change
Logan	20,504	22,193	8.24%
Morgan	27,171	28,338	4.30%
Phillips	4,480	4,387	-2.08%
Sedgwick	2,747	2,358	-14.16%
Washington	4,926	4,759	-3.39%
Yuma	9,841	10,070	2.33%
<b>Colorado</b>	<b>4,301,261</b>	<b>5,118,526</b>	<b>19.00%</b>

*Source: State Demography Office*

## JOBS & THE ECONOMY

Over the next 5-10 years, irrigated cropland in the Eastern South Platte Basin will be reduced by 150,000 acres. This reduction of cropland will have a direct and indirect economic impact of \$77,948,551 on Northeastern Colorado. The economic impact of this loss of revenue could include fewer employees in agricultural production and fewer employees in the manufacturing plants that are dependent upon agricultural production. The loss of jobs or reduced income in the agricultural sector of the economy could result in less disposable income for the purchase of goods and services.

## HOUSING

Even though housing prices have not increased substantially for a number of years, the major driver of new demand in our region is an increase in the number of oil and gas industry jobs (including alternative energy). This demand factor is difficult to predict as jobs tend to be transient. High salaried oil and gas employees are contributing to high rental rates and low vacancies. With strong demand on a limited housing inventory, it doesn't take much to price local wage earners out of that market.

These challenges are being faced by many communities in the western US. Extraction and service industries place heavy burdens on the housing supply and government services needed to support the houses. The boom and bust nature of the resource economy creates high housing prices followed by a surplus of housing when the particular boom subsides. Many westerners are puzzled by expensive building site prices in northeastern Colorado communities when hundreds of miles of vacant land surround the developed areas.

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## **AGRICULTURE**

Agriculture is the economic base of our region. It has provided the stability to keep this region going during the tough economic times, but there are concerns as to the future of the industry. We have seen this industry shrink as there is a lot of “dry up” happening across our region. This is drying up farmland to take the water for a different use. A lot of these farms and water rights are being purchased by front range interest groups to serve municipality water needs. Also, family farmers have needed to grow their operations to thousands of acres to remain financially viable.

In regards to the livestock side of agriculture our region is a large provider of beef feedlots, hog farms and dairies. We will see this industry grow if we are able to supply the feed for the growth, in turn this takes water, which is a precious resource at this time. The dairy industry will continue to focus on growth and expansion to support the new Leprino plant being constructed in Weld County.

## **CLEAN ENERGY**

The Florida Power and Light Company (now Next Era Energy) has invested more than \$1B in constructing 427 wind turbines and a 70 mile transmission line on the Peetz plateau in Northern Logan County. British Petroleum Alternative Energy/Babcock and Brown have invested millions in the Cedar Creek Wind Project in Northern Weld County. Combined, the 825 megawatts (MW) from these two projects generate power to service 300,000 homes. There will be about 50 permanent wind technicians to maintain the estimated 824 wind towers when the two projects are completed. In addition, Logan County has permitted another 325 turbines planned for future years.

Two ethanol plants have been constructed in the cities of Yuma and Sterling and produce 50 million gallons of ethanol per year. Employment is about 30 per plant or 60 employees total.

Facilities to capture wind energy, bio-diesel and other alternate sources of energy have been constructed in Northeastern Colorado. The development of energy alternatives could result in 400-500 construction jobs and the creation of 100 new permanent jobs when the facilities are operational. With the expected future development of wind energy and the transmission grid build-out to export renewable energy to major markets, we also believe solar will be an important source of energy.

## **GOALS FOR THE UPCOMING YEAR**

Northeastern Colorado Association of Local Governments, NECALG, continues to work with a partnership of three funding sources to create a Community Economic Development Strategy (CEDS). The Federal Economic Administration along with the State of Colorado Department of Local Affairs and Local Government are funding this effort that will hopefully lead to designation as an Economic Development District in late 2012 or early 2013.

The goal of this project is to improve collaboration between government and the private sector and develop community resources. The CEDS document can be reviewed on the NECALG website at

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[www.necalg.com](http://www.necalg.com) and as the process continues, updated information regarding the formation of the District and benefits of this structure will be posted.